

Appendix A. Glossary of Terms

FHA mortgage – A mortgage that is insured by the Federal Housing Administration (FHA); may be referred to as a ‘government’ mortgage.

FHLMC (Freddie Mac) – A term commonly used to refer to the Federal Home Loan Mortgage Corporation, which is a congressionally-chartered corporation that purchases conventional mortgages in the secondary mortgage market.

first mortgage – A mortgage which is the primary lien against a property.

fiscal year – Any 12-month period which is used for financial reporting and preparation of balance sheets, profit and loss statements and other financial summaries.

fixed rate mortgage – A mortgage for which the interest rate is set for the entire term of the loan. If the interest rate changes due to enforcement of the due-on-sale provision, the mortgage is considered a fixed-rate mortgage.

FNMA (Fannie Mae) – A term commonly used when referring to the Federal National Mortgage Association.

gift letter – A signed statement describing the amount of any cash gift used by the borrower to qualify for a loan with reference that the gift need not be repaid.

GNMA (Ginnie Mae) – A term commonly used to refer to the Government National Mortgage Association, (part of HUD), which administers the mortgage-backed securities program; channels new sources of funds into residential financing through the sale of privately issued securities which carry a GNMA guaranty.

gross margin – The sum of the net margin and the Seller’s servicing fee.

hazard insurance – An insurance contract, whereby an insurer undertakes to compensate the insured for loss on property because of physical damage by fire, wind or other natural disasters.

homeowners’ association – A nonprofit association or corporation comprised of homeowners within a particular development whose purpose is to maintain the common areas of a PUD or condominium project. In a condominium project, the group does not have ownership of the common area, while in a PUD project, the group does hold title to the common areas.

HUD – The U.S. Department of Housing and Urban Development; responsible for the implementation and administration of government housing and urban development programs.

land-to-value – The ratio of the value of the land to the lower of the purchase price or current appraised value expressed as a percentage.

lease – A written agreement between the property owner and a tenant that contains the conditions under which the tenant may possess and use the real estate for a specified period of time.

lifetime interest rate cap – The maximum interest rate that may ever be charged over the life of a mortgage on an ARM.

liquidation – The application of a payment to a mortgage loan which reduces the outstanding principal balance to zero.

loan closing date – The date on which loan proceeds are disbursed to the borrower.

loan-to-value (LTV) – The ratio of the outstanding principal balance of the mortgage to the lower of the appraised value or purchase price of the mortgaged property expressed as a percentage.

maximum net rate – The net rate is the mortgage interest rate (note rate) less the lender’s servicing fee. The maximum net rate and corresponding price establish the required net yield to WMMSC for fixed rate mortgages. Fixed rate mortgages with net rates that are less than the minimum net rate will be priced to produce the required net yield.

month of purchase – The month in which WMMSC funds a loan.

monthly withdrawal – The total of the principal and interest amounts to be debited by WMMSC on the withdrawal date via an ACH transaction. This amount will be stated on the Notice of Automatic Withdrawal.

mortgage loan – A loan secured by real property and evidenced by formal documents, including the security instrument, note, title evidence and all other necessary documents and papers, which are executed by the borrower when pledging the property as security for the payment of a debt.

mortgage interest rate – The note rate or rate of interest paid by the borrower.

negative amortization – The mortgage payment schedule in which the outstanding principal balance increases instead of decreasing since the payment does not cover the full amount of interest due in that payment period. The unpaid interest is added to the outstanding principal balance.

net margin – The net margin is quoted on ARMs and is the gross margin minus the Seller’s servicing fee. It is used to calculate the new interest rate at the time of an interest rate adjustment by adding it to the current index and the Seller’s servicing fee.

net rate – The mortgage interest rate (note rate) less the Seller’s servicing fee. This is the rate passed through to WMMSC.

Appendix A. Glossary of Terms

net worth – The value of all of a company's or individual's assets minus its total liabilities used as a means to indicate creditworthiness or financial strength.

net yield – The required yield to WMMSC.

note – The applicable form of instrument that evidences the mortgage loan, including any addenda.

P&I Custodial Account – One or more custodial accounts into which is deposited the principal and interest portions of mortgage loan payments.

planned unit development (PUD) – A development in which each unit owner has title to a residential lot and building and a non-exclusive easement on the common areas of the project. The owner may have an exclusive easement over some parts of the common areas, for example, a parking space.

prepaid installment – A payment received prior to the scheduled due date but which is not applied until such due date.

price – The percentage of par WMMSC will pay for a loan approved for purchase. Par is 100% of the unpaid principal balance of the loan.

projected principal balance – The unpaid principal balance remaining after the application of the payment due on the first day of the month in which WMMSC purchases a mortgage.

purchase date – The date WMMSC funds a loan.

real estate owned (REO) – Real property acquired by the Servicer on behalf of WMMSC as a result of foreclosure or other transfer.

refinance – The repayment of a debt from the proceeds of a new loan using the same property as a security.

release of liability – An agreement to terminate the personal obligation of a borrower in connection with the payment of a mortgage debt.

second mortgage – A mortgage that has a lien position subordinate to the first mortgage.

security instrument – A mortgage, deed-of-trust or other document evidencing a security interest in the real property securing a mortgage loan.

seller – The term used when referring to a WMMSC approved Seller's obligation in originating and selling loans to WMMSC.

Seller/Servicer ID number – The number assigned to a Seller/Servicer upon approval by WMMSC.

Servicer – The term used in the *Servicer Guide* when referring to a WMMSC approved Servicer's obligation in servicing loans on the behalf of WMMSC.

servicing fee – The fee received by the Servicer in compensation for servicing mortgages purchased by WMMSC, expressed as a percentage. This fee is calculated by subtracting the net rate from the mortgage interest rate (note rate) of the loan.

servicing advances – Funds advanced by the Servicer to cover servicing costs and expenses as they occur.

survey – A measurement of land, prepared by a registered land surveyor, showing the location of the land with reference to known points, its dimensions, and the location and dimensions of any improvements.

T&I Custodial Account – One or more custodial accounts into which is deposited the portion of mortgage loan payments intended to pay for taxes and insurance.

VA mortgage – A mortgage that is guaranteed by the VA (Veterans Administration). This type of loan may be referred to as a "government loan".

withdrawal date – The date on which WMMSC debits the P&I Custodial Account via an ACH transaction for the total amount of principal and interest due that month, including any unscheduled collections of principal and interest for the previous month. This date will usually be the 20th of the month. If the 20th falls on a weekend or holiday, however, the withdrawal will occur on the preceding business day. The initial withdrawal date for any commitment will occur in the month following the month in which WMMSC purchased all or part of any commitment.

WMMSC – Washington Mutual Mortgage Securities Corporation, a wholly owned subsidiary of JPMorgan Chase Bank, National Association.

WMMSC assigned servicer number – The identification number assigned by WMMSC to each pool of loans which it acquires.

YTD Profit and Loss Statement – A Servicer's most current interim financial statements.

Appendix B. Office Locations and Telephone Numbers

WMMSC:

Master Servicing Department:

Servicer Management	Sandy Brooks	(843) 673-4083
Default	Susan Peterson	(843) 673-4162
Document Custody	Sherry Stafford	(318) 699-2610
Cash Management	Brian Bynum	(843) 673-4419

Monthly accounting and servicing reports, correspondence, and general inquiries should be directed to the following address:

WMMSC
2210 Enterprise Drive
Florence, SC 29501
Master Servicing Administration
Mail Stop: SC1-2090

Servicing Management:

The Annual Certification, an Annual Statement of Compliance, and the Accountants' Statement shall be directed to Servicing Administration at the following address:

WMMSC
2210 Enterprise Drive
Florence, SC 29501
Attn: Servicing Management
Mail Stop: SC1-2090

JPMorgan Chase Custody Services:

JPMorgan Chase Custody Services
780 Delta Drive
Monroe, LA 71203-6000
ATTN: Final Documents Manager, WMMSC Acct.
Mail Stop: LA4-1040

Appendix C. Holiday Schedule

The following is the WMMSC 2011 holiday schedule:

Holiday	Date	Day of the Week
New Year's Day	January 1	Saturday
Martin Luther King Day	January 17	Monday
President's Day	February 21	Monday
Memorial Day	May 30	Monday
Independence Day	July 4	Monday
Labor Day	September 5	Monday
Columbus Day	October 10	Monday
Veteran's Day	November 11	Friday
Thanksgiving Day	November 24	Thursday
Christmas Day	December 25	Sunday

Appendix C. Holiday Schedule

The following is the WMMSC 2012 holiday schedule:

Holiday	Date	Day of the Week
New Year's Day Observed	January 2	Monday
Martin Luther King Day	January 16	Monday
President's Day	February 20	Monday
Memorial Day	May 28	Monday
Independence Day	July 4	Wednesday
Labor Day	September 3	Monday
Columbus Day	October 8	Monday
Veteran's Day Observed	November 12	Monday
Thanksgiving Day	November 22	Thursday
Christmas Day	December 25	Tuesday

Appendix D. Wiring Instructions

Master Servicing – 2210 Enterprise Drive
Florence, SC 29501

PC Fed Wire Instructions:

ABA Number: 021000021
Account Number: 304-652601
JPMorgan Chase Bank – New York, NY
Credit: Washington Mutual Mortgage Securities Corp.

The following information must be included in the “Remark” section of your wire, exactly as documented below and without abbreviation:

PAYOFF (If Payoff Funds – WMMSC loan number)

INTERIM REMITTANCE (If Not Payoff Funds – Co Name INV – your investor #)

Appendix E. Electronic Monthly Reporting Fields Required by WMMSC

Electronic File Requirements:

1. Must be an Excel file that can be uploaded into the WMMSC system. (A Word document file will not be accepted)
2. The file must contain all the required fields as indicated in the example.
3. Do not include additional information that is not required.
4. Information must be in the same column and format as indicated in the example.
5. Row One (1) should be the header row of titles.
6. Information must be reported one (1) row per loan.
7. Electronic file must be received by the 5th business day of the month.

Example: January 2003 Cycle

A	B	C	D	E	F	G	H	I	J	K	L	M	N	Required for ARM loans only					T
														O	P	Q	R	S	
WMMSC Ln #	Lender Ln #	Actual PTD	P&I	Sch Int	Sch Pm	Curt	Pre-Paid Curt	Payoff Pm	Payoff Date	End Sch Bal	End Act Pm Bal	Note Rate	Service Fee	Pynt Chg Date	New Int Rate	New P&I	P/O Interest	S/F Amount	Remit
Example PIF	600001111	123456	2/1/03	2889.5	2288.04	591.46	1166.14	166.14	0	410920.45	406609.6	6.750	0.450	3/1/03	7.250	3017.5	1215.87	153.2	4068.58
Example	600002222	678910	12/1/02	3524.62	2320.45	1204.17	400	0.00	01/17/03	410920.45	406609.6	6.750	0.450				154.7	413585.8	
Total			6414.12	4618.49	1795.63	1566.14	166.14	410920.45		406609.6	406609.6					3017.5	307.9	417654.4	

Explanation of Column Headers

- A WMMSC Ln# = WMMSC loan number
 B Lender Ln# = Servicer loan number
 C Actual PTD = Actual paid to date (Month and day of last payment received). The date should be formatted as MM/DD/YY
 D P&I = Current principal and interest payment
 E Sch Interest = Scheduled interest at gross rate
 F Sch Prin = Scheduled principal
 G Curt = Any additional principal received during the month
 H Pre-Paid Curtailment = Prepaid curtailment received in current month
 I Payoff Pm = Actual principal balance paid off
 J Payoff Date = Date loan paid off. (The date should be formatted as MM/DD/YY)
 K End Sch Bal = Ending scheduled balance
 L End Act Pm Bal = Actual ending principal balance
 M Note Rate = Current interest rate
 N Service Fee = Current service fee rate
 O Pynt Chg Date = Payment change date for ARM loans
 P New Int Rate = New interest rate for ARM loans
 Q New P&I = New principal & interest payment for ARM loans
 R P/O Interest = Payoff interest calculated at the gross rate
 S S/F Amount = Service Fee Amount
 T Remit = Net remittance amount due
- NOTE: Columns O, P & R are required only for Adjustable Rate Loans (ARMS)